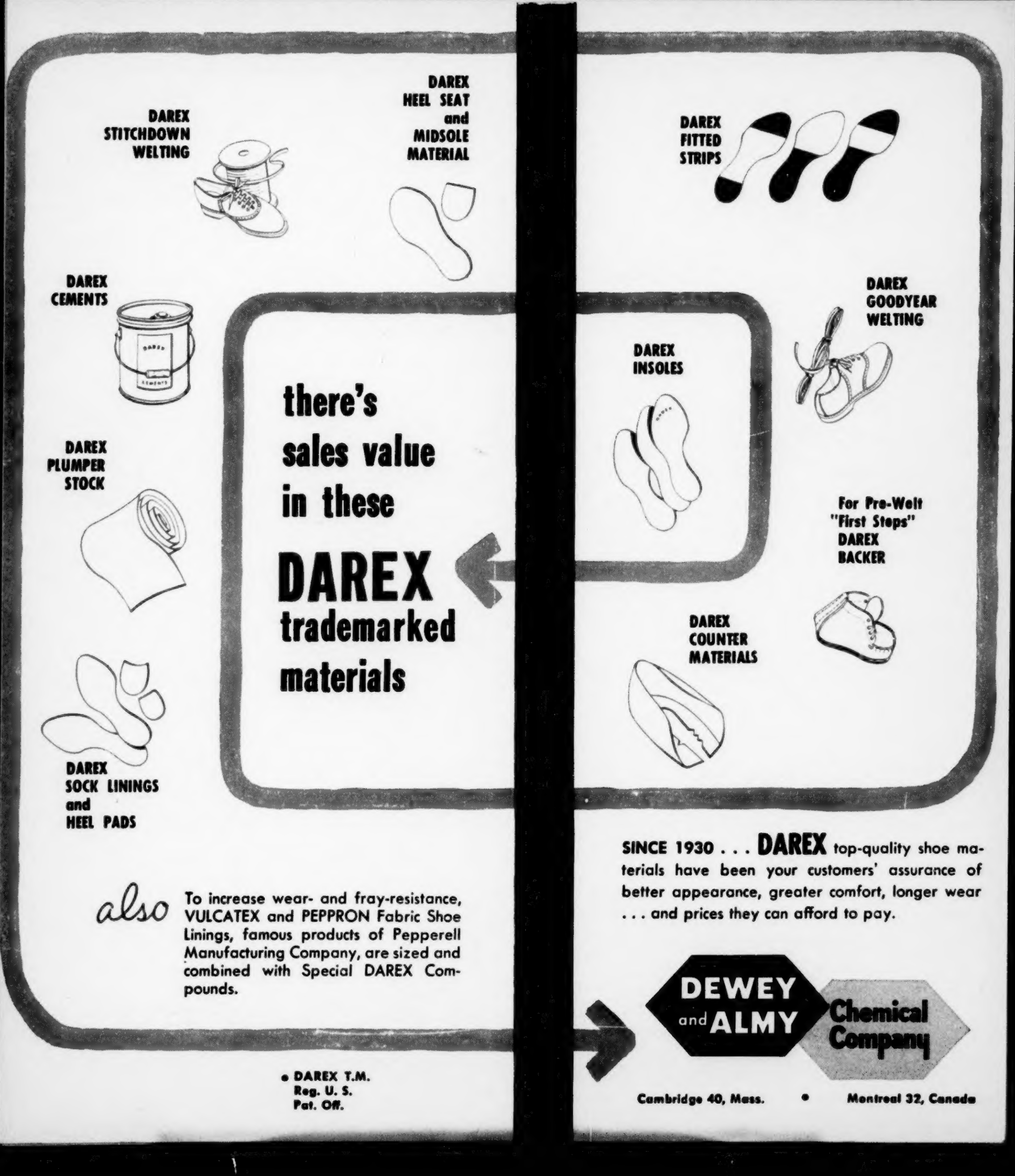
LEATHER and SHOES

The International Shoe and Leather Weekly



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Coming Events

Oct. 14-18, 1951—Advance Boston Spring Shoe Showing, sponsored by New England Shoe and Leather Association. Hotels Statler and Touraine and manufacturers' showrooms.

Oct. 20, 1951—38th annual banquet of New York Shoe Superintendents' and Foremen's Association. Hotel St. George, Brooklyn, N. Y.

Oct. 21-24, 1951—Canadian Shoe and Leather Convention in Montreal, Quebec, Canada.

Oct. 24, 1951—Fall Meeting of National Hide Association. Sovereign Hotel, Chicago, Ill.

Oct. 25-26, 1951—Annual Fall Meeting of Tanners' Council of America. Edgewater Beach Hotel, Chicago, Ill.

Oct. 29-Nov. 1, 1951 — National Shoe Fair, sponsored by National Shoe Manufacturers Association and National Shoe Retailers Association. Palmer House and other hotels, Chicago.

Nov. 11-14, 1951 — Spring Shoe Show, sponsored by Southwestern Shoe Travelers Association. Adolphus, Baker and Southland Hotels, Dallas, Tex.

Nov. 25-29, 1951 — Popular Price Shoe Show of America for Spring and Summer 1952. Sponsored by New England Shoe and Leather Association and National Association of Shoe Chain Stores. Hotels New Yorker and McAlpin, New York City.

Jan. 26-30, 1952 — Mid-Atlantic Shoe Show. The Ambassador, Atlantic City, N. J.

March 11-12, 1952—Showing of American Leathers for Fall and Winter, 1952. Sponsored by Tanners' Council of America, Inc., Waldorf-Astoria Hotel, New York.

May 5-7, 1952—Annual Spring Convention of Tanners' Council. Castle Harbour Hotel, Tuckerstown, Bermuda.

May 19-20, 1952—Eighth Annual Meeting of National Hide Association, Hotel Cleveland, Cleveland, O.

June 1-4, 1952—Annual Convention of American Leather Chemists Association. Ocean House, Swampscott, Mass.

Oct. 23-24, 1952—Annual Fall Meeting, Tanners' Council of America, Inc. Edgewater Beach Hotel, Chicago, Ill.

LEATHER and SHOES

ESTABLISHED 1890

Vol. 122 — October 6, 1951 — No. 14

FEATURES

THE NEWS

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LEATHER and SHOES, The International Shoe and Leather Weekly, published weekly by The Rumpf Publishing Co., 300 West Adams St., Chicago 6, Ill.

Cable address: HIDELEATH. Subscription price: United States, $5.00; Canada, $6.00; Foreign, $7.00. Single copies, 15c; back copies, 30c. Entered as second class matter Jan. 19, 1948, at Chicago, Ill., under Act of March 3, 1879. Additional entry at Boston. NOTICE TO SUBSCRIBERS: If you change your address, please notify us immediately. If you fail to do so, the Post Office will forward only two issues to a new location together with form 22-S, which should be sent us promptly. After that copies will be returned undelivered.

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CURE THE DISEASE BUT KILL THE PATIENT

Higher hide prices are far from good medicine

THE hide and leather industry is hanging precariously today in a state of suspended animation that threatens to become complete paralysis. If the industry takes the right medicine, it can get back on its feet. The wrong prescription could prove fatal.

The industry's dilemma centers on hide and skin prices. Will they remain strong, reach OPS ceilings again? Or will they weaken again, fall towards normal or pre-Korean levels? Upon the answer depends much of the industry's future well-being.

One thing is certain. The majority of the industry doesn't want higher prices at this time. This applies particularly to tanners and shoe manufacturers who realize higher leather and shoe prices—the inevitable result of higher rawstock costs—would only further alienate a buying public that is already allergic to paying inflated shoe prices.

The question is: what can be done about hide prices? These, after a short-termed decline that plummeted them well below ceilings, have firmed again, returned almost to highest permissible levels. If this trend persists, leather prices, which declined considerably in summer months, must follow suit. And shoe manufacturers have made it unmistakably clear that they are not interested in high-priced leather at this time.

A little close study of the situation shows that the worst can be avoided. Best indication of this is the fact that tanners regard the present hide market advance as a false boom. Rawstock buying by one large shoe manufacturer seeking leather to fill a military contract, several large sole tanners, and seasonal specialty tanners pushed the market up, they say. The majority of tanners, however, did not even fill their Sept. permits. Actual demand, which provides a solid boom foundation, is conspicuously absent.

L and S Editorial

Reprints available at nominal costs: Up to 100, 10c each; 200-500, 5c each; 1000-3000, 2½c each; 5000 or over, 1½c each.

Just as important in this figuring is the supply situation. A squeeze on hide supplies would inevitably bolster prices. Conversely, adequate supplies—enough to handle civilian and military demand—would do much to keep prices down.

Latest U. S. federally inspected slaughter figures show slaughter on these markets running below last year. For example, cattle kill for the year through the third week of Sept. is estimated at 6,324,503 head against 7,168,524. Calf is pegged at 2,248,-801 against 2,736,122. Sheep is down to 5,891,495 from 7,102,323 a year ago.

Distorted Picture

Here again, a little prying brings out a slightly distorted picture. Decline in slaughter is not due to a similar falling off in livestock supply. On the contrary, cattle and calf population in the U. S. this year is at least the equal if not greater than last year. What, then, is holding up slaughter?

Newspaper headlines have been blaring out the answer for several weeks. Packers say they cannot pay present livestock ceiling prices and sell meat and by-products, of which hides are the most important, under present ceilings. Thus, big packers have cut slaughtering operations to the bone.

What hasn't been publicized is where livestock, not purchased and slaughtered by big packers, is going. Some is being held on the ranges as long as grass holds out. But the grass season is coming to a close and farmers must bring cattle to market soon. Even if feeders purchase good numbers of grass cattle at points of origin, they obviously cannot hold too many too long. The conclusion is that cattle must soon reach the market, just as they generally do this time of year.

On this basis, it seems almost certain that slaughter will soon return to normal along with the domestic supply of hides and skins. Any other result would be artificially created and therefore temporary.

Another factor in the supply outlook is that of imports. Latest figures show cattlehide imports for the first seven months 1951 at 2,154,000 pieces, an increase of fully 44.8 percent over the 1950 period. Similarly, calf and kip imports in the period totaled 1,982,000 skins or 26.6 percent higher than a year ago. Imports for the rest of 1951 are expected to go even higher.

A good indication of how hide and skin supplies stack up is NPA's action this week in setting Oct. allocations at 100 percent of base period for the second month in succession. Were supplies tight or demand heavy, NPA would hardly grant full quotas or again extend the purchasing period from two weeks to the entire month. The agency itself admitted that "ample supplies make this possible."

Shoe manufacturers themselves are betting on lower leather costs at long range. Witness wholesale and retail price reduction in recent weeks by Florsheim, Thom McAn, French, Shriner & Urner, etc. This week International Shoe Co., biggest of them all, made it official by reducing prices on the majority of its lines.

All signs point to a *natural* decline in hide and skin prices for the remainder of 1951. Short of outright war, there should be ample supplies to handle existing demand. The greatest threat lies in the possibility of allowing artificially-created high rawstock prices to force up prices again on leather and shoes. Neither shoe manufacturers nor tanners would benefit.

News about **B. F. Goodrich Chemical Company** *raw materials*

5

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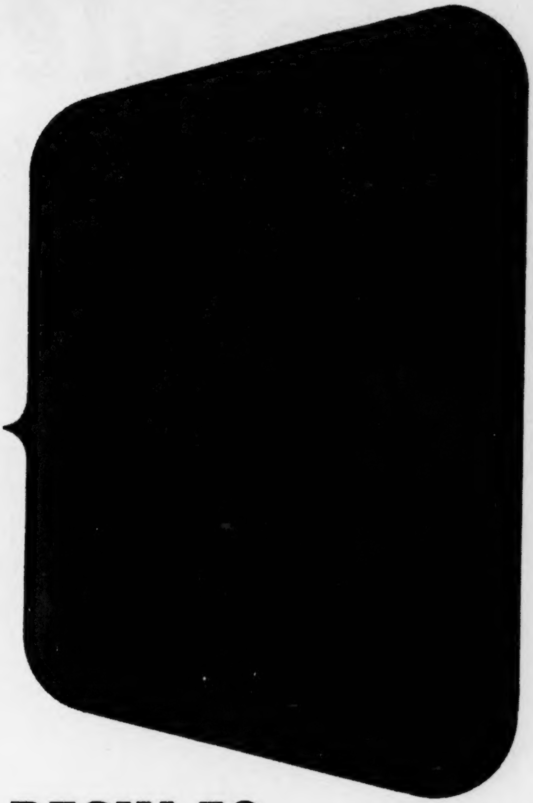

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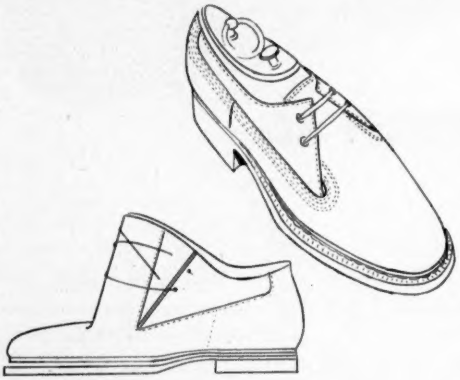
SHOE FASHION NEWS AND TRENDS

Vigorous promotion behind a "new shoe" for men. Termed "Bolo" in Foot Pals line of Wall-Streeter Shoe Co., North Adams, Mass., and "Ty Roler" in Crosby Square line of Mid States Shoe Co., Milwaukee, Wis., is a two-eyelet tie over bellows tongue. National consumer and retail trade advertising program pushing style. Spokesmen for manufacturers say orders are exceptionally high.

Others including this type in Spring lines. Impetus provided by terrific success of original manufacturers. Already, General Shoe Corp., Freeman Shoe Corp., and International Shoe Co., to mention a few, have included similar styles in new lines. Florsheim stores have ordered. All predict "Bolo"-type will be a big shoe by Spring. A seamless blucher, is far different from conventional oxford. Conforms to prevalent trend away from fanciful, heavy fittings. Meets demand for cleaner lines.

Proper skiving secret to comfort of this shoe. Bellows tongue and quarter piece made of very thinly split leather—casual glove leather types. If not properly skived and thinly split, shoe will be bulky, therefore uncomfortable, because closing brings together three layers of leather.



"Bolo" by Wall-Streeter

Gore-types gaining more followers. Most lines now including gore patterns, in both dressy and casual lines. Side-gores most talked about. New lasts being created. A "special measurement last for gore patterns" comes in two types. First, a more customy type for wing and U-tip patterns, also adaptable to conventional dress oxford type. Second, a wider, rounder toe for more casual shoe in softer leather.

Big news in special lasts for gore patterns is baby Brogue type toe. U-wing, which has zoomed in popularity, seen to be extremely good on this last. Last is a short special measurement. Main features here are shortness and wider toe. Strictly for casual type.

Mesh! Industry has gone mesh-mad. Few years back, no one came even near to predicting tremendous consumer acceptance this fabric has gained. Being used in natural

Designs by Mel Snow (Snow Pattern Co.) Milwaukee

and wheat shades in combination with darker tones, wine, brown leathers. Also, adds to greater variety of two-tone styles, because best used in combination with another color.

Many manufacturers planning on using more mesh panels in gore types. Combine two most popular of newest features in men's footwear, one a material, the other a styling. Mel Snow creates a trio of styles (sketched) showing the good-looks quality and design versatility of this combination.

Some footwear makers scare easily. U. S. Rubber, last season, had tremendous success with rough canvas or cloth upper crepe-soled shoes, used mainly for beach and very casual wear. Many men's shoe manufacturers copying this type, now being incorporated into lower-price lines. However, stalwarts of industry are sticking with leather shoes, believing that cloth type has special and limited use—will not and cannot replace leather shoe. Most believe will be sold as an inexpensive extra pair, not, however, worth more than a moment's notice or thought as possible leather shoe substitute.

Rosalie Marzbanian

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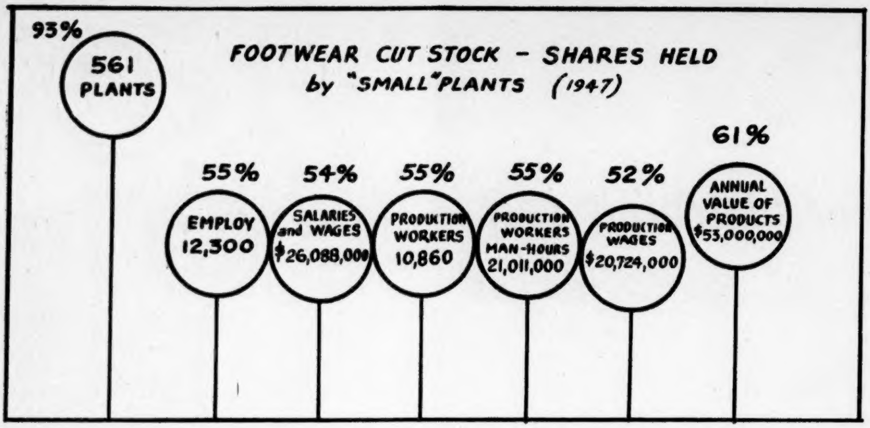

"Small Business" Dominates

FOOTWEAR CUT STOCK

93% of the 606 footwear cut stock plants are small

THE great majority of the firms which furnish the shoe manufacturing industry with supplies—more specifically, with cut stock supplies—are rated as "small business" by the government. To be exact, 93 percent of the 606 of these supply sources listed in 1947 are classified as "small" establishments. Altogether, these small plants (561 of the 606) do 61 percent of the total dollar volume of business.

These figures are based on the Census of Manufactures for 1947, plus a very recent study by the National Production Authority covering 452 industries in an effort to determine the role of small business in the nation's economy.

Specifically, "footwear cut stock" consists of plants engaged in making leather soles, inner soles, and other shoe cut stock, and leather welting, shanks, heel and toe caps, leather shoe laces, finished wood heels, and a variety of other shoe findings and supplies. Not included here are rubber and composition type soles and heels.

Now, the government decided that for the footwear cut stock industry, comprising 606 firms in 1947, those plants employing 100 or fewer workers would be classified as "small." There are 561 plants, or 93 percent of the total, which fit into this classification. But this 93 percent accounts for only 61 percent of the total volume of business.

The NPA arrived at the figure of 100 on the following basis: "Any business concern operating an independent establishment with fewer than 100 employes is small in an industry in which two-fifths to two-thirds of the manufacturing is done in establishments of this size." The footwear cut stock industry belongs to such a classification.

Figures Clear

In 1947, the value of the footwear cut stock industry's total volume was $87,300,000. Of this, $53,000,000 was accounted for by the 561 plants classified as "small business." The remaining 45 "large" plants (those with 100 or more employes, accounted for $34,000,000 of the total volume.

Or, to show a sharper comparison: 93 percent of the plants accounted for 61 percent of the business, while only seven percent of the total plants account for 39 percent of the total business volume.

Actually, however, the "bigs" do an even greater share of the total volume than are shown by the above figures. For example, for every 100 *companies* in this industry there are 109 *plants*. The vast majority of the *small* companies operate *only one* plant; but the majority of the *large* companies operate *more* than one plant. Thus, some of the income "credited" to the small plants actually belongs to the large companies. For example, a company employing a total of 270 would be classified as large. But if it operated three plants employing 90 persons each, those plants—and their dollar volume of business—would be "credited" to the smalls, while actually the income would be going to the "big" firm.

Hence, it is likely that there are actually fewer "small" companies (100 or fewer employes). And it follows that the "large" firms may

(Continued on Page 34)

Finger Tip Control

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The individuality of each shoe bottom can now be expressed more easily than ever before because the operator need no longer exert heavy, tiring pressure on the foot treadle. This new machine offers much in leveling performance, particularly where fine bottom character is an objective. Thus the *quality* of each shoe bottom is improved while *uniformity* is not affected by the strength, weight or fatigue of the operator. He is free to concentrate on quality.

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- Operator can level a specific area on any shoe as long as necessary to obtain results such as highly defined cottage shanks and circular ball lines.
- Leveling roll movement hydraulically controlled under spring pressure — operation of the jack is effortless.
- Meets the need of a machine for Goodyear welts, turns, silhouwelts and stitchdowns . . . and wherever controlled leveling is required.

UNITED SHOE MACHINERY CORPORATION

BOSTON, MASSACHUSETTS

Figuring Tanning Costs By

"The Scheme Of Generality"

How to tell differences between theoretical and actual costs

By Karl Victor and Herbert F. Stevenson

The complete separation of chrome and vegetable department costs is not an easy matter. Generally, the chrome department uses some vegetable extracts. If those extracts are in special bags or barrels (gambier, for instance), the separation is easier. But if an extract blend is used which was made up in the vegetable department, then it will be necessary to determine the exact volume of each shipment to the chrome department and to calculate the solid contents of different extracts in each case.

If the vegetable department uses some chrome extract for retanned bends it will be necessary to calculate the dichromate, sugar and sulphuric acid used for the corresponding volume, and also the labor costs for making up the extract.

Tough Task

Sometimes the distribution of splitting costs is also a difficult task if the same machine and the same men are working for the chrome and vegetable department alternately. Whenever the chrome department shaves some bellies for the vegetable department, spray gun operators may do some work on sole leather, or hides are wrung by one department for the other, it will always be difficult to ascertain the real amount of wages spent for those purposes. In most cases the foreman will not try to make practical determinations at all, but instead will multiply the number of pieces done for the other department by the average cost of that work; that is, he will operate with theoretical values.

There are difficulties in even the simplest cases. As soon as the production becomes a little more complicated—for example, if splits also have to be considered (and this is usually the case)—the last possibility disappears for basing the whole calculation of each leather upon actual determinations, and the aid of theoretical calculations has to be called in. In most cases, the cost accountant himself does not know if the values he receives from the plants are actually or totally of theoretical character, but will continue to apply them as results of actual determinations.

It should be explained here what is meant by "actual" and "theoretical" values. Only those values are marked actual which represent results of direct measurements. Anything else is marked as theoretical. For example:

The chrome department delivers 500 gallons of chrome liquor to the vegetable department. All stuffs for making up the 500 gallons were weighed separately: 1600 pounds of sodium dichromate, 1500 pounds of sulphuric acid, and 400 pounds of grape sugar. Four men worked 50 minutes each to weigh the chemicals and prepare everything for boiling. Altogether, 6 hours and 20 minutes of labor, at 80 cents per hour, totaling $5.07 labor cost. All measurements of weights and working time were actually effectuated for this special case, and thus the values obtained can be marked as "actual."

However, if these 500 gallons were taken away from a larger quantity of liquor which was boiled at once and, knowing the composition, it could be calculated that the 500 gallons would correspond to 1600 pounds of sodium dichromate, 1500 pounds of sulphuric acid, 400 pounds of grape sugar, and, the average labor cost for one gallon being 1c., the labor for 500 gallons would be $5. Thus, all these values have to be marked as "theoretical" or calculated.

Difference Needs Emphasis

The difference in these values must be emphasized. In the first case we know that a certain amount of chemical and labor costs were spent by the chrome department for the vegetable department. In the second case we cannot be certain of that at all. It may occur that the workmen spent more or less time than the average in boiling that liquor from which the 500 gallons were taken. Or, that the liquor overboiled, wasting some of the material; or the paper bags holding the sodium dichromate tear and some of the stuff spills; or the lead lining of the container has a crack, causing a leak; all of which may result in higher-than-average costs for the 500 gallons of chrome liquor.

To mention another example: A pack of insole shoulders will be loaded and the labor cost subtracted from the sole leather department and charged to the insole department. If the workmen who do this work are paid at piece rates, there

(Continued on Page 36)

L and S NEWS X-RAY

Latest word on hide price controls is that OPS will not lower ceilings for time being. Agency officials feel this would be bad time for such action. Prices are at least nominally near ceilings again and packers and hide men have good talking point in opposing any reductions now.

This doesn't mean that possibility of lower ceilings is gone forever or even a few months. Veteran tanners feel current hide boom was false, unseasonally buoyed by activities of few buyers rather than general buying movement. Of course, inflation of prices has been launched by less, but demand must continue or supply grow short to keep boom going. Right now, neither supply nor demand warrants a long-term bullish market.

OPS spokesmen point out also that leather is selling fairly well despite recent advances. This holds especially true in side upper leathers, they say, although sole leathers have been moving moderately. Government is off base on this point. Leathers have not had chance to reflect fully recent hide market advances. Also, leather buyers have shown no interest whatsoever in any advances. Leather is selling but the buying emphasis is on the lower grades and cheaper prices.

Supply of livestock to packers and consequently hides and skins to tanners should pick up soon. Many reasons for expected pickup. Grazing season is almost over for grass cattle. Feeders have been buying plenty but cannot keep them indefinitely. Also, independent packers have been active and their storage facilities are definitely limited. OPS enforcers intend to steer many more into legitimate packer market by stamping out illegal slaughtering now being done by many small slaughterers.

Another reason for better supply outlook is OPS extension of cattle ceiling exemptions to Nov. 4. This allows packers unable to buy at ceiling prices at least 50% of normal 1950 production to pay whatever they must. Also, those who have bought between 50-75% on average production can pay 1% above ceiling. Only trouble with this is that packers, in rush to outbid each other and buy needed livestock, may push price well above ceilings. This is strongest argument in favor of raising livestock price ceilings.

Tanners determined to keep hide and skin prices down. Many keeping rawstock purchases well below needs at present price levels. These say they can't afford to buy now, push leather prices up at a time when shoe manufacturers are cutting prices. Thus leather prices haven't kept pace with hide increases and sales have been better in recent weeks.

Tanners fear one thing above all right now. When their inventories are worked off, they must replenish stocks of raw hides and skins. If demand develops, hide prices could strengthen again unless supplies improve considerably in next few weeks. Thus tanners could get caught in squeeze between strong rawstock market and comparatively low leather prices. If they tried to increase leather lists, shoe manufacturers would resist. Latter doing some long-range betting that leather costs will stay down—price reductions now general throughout shoe trade.

Danger is that increase in leather prices might alienate many shoe manufacturers. Before advancing their prices again at a time when buying public is so price conscious, many manufacturers would resort to all possible leather substitutes to keep finished shoe prices at present levels and maintain semblance of volume business.

• •

Aug. employment in leather and shoe manufacturing industry reversed July downtrend, although still well behind last year. Gain of 11,000 workers registered over July but figures still fully 25,000 behind Aug. 1950. Recent employment figures list 382,000 in June, 373,000 in July and 384,000 in Aug. Last Aug., 409,000 were at work. Production worker totals were: 343,000 for June, 335,000 for July, 346,000 for Aug. and 370,000 for Aug. 1950.

• •

Big goal of some CIO unions is insertion of "annual wage" clause in 1952 labor agreements. Shoe unions, particularly United Shoe Workers of America, watching progress of demands for this by CIO Auto Workers. Latter planning to pressure automobile manufacturers on this point a full year before present contract expires. If drive successful, USWA might model future demands on this basis.

INDUSTRY FACING NEW PRICE WAR

HIDE MARKETS POSE BIG QUESTION

Shoemen, Tanners Resist Increases

The hide and leather industry found itself on the brink of a new price war late this week as activity on both the rawstock and finished leather markets died to a mere whisper.

Despite sales of approximately 11,000 hides by mid-week, it was apparent that tanners were determined to resist new bullish trends on various hide markets. Packers continued to offer firm prices in this first week of Oct. allocations—again set at 100 percent for four weeks by the National Production Authority—but the majority of tanners preferred to wait.

Similarly, in Boston and New York leather markets, trading was conspicuously absent. New York markets had not been too active in recent weeks but Boston tanners had experienced a revival in sales over the past four months. Upper leather tanners—side, in particular, had done a land-office business in Sept. but all this came to an abrupt halt this week.

The big bottleneck appeared to center on prices. Although many shoe manufacturers had bought actively in Sept.—enough leather to handle immediate requirements—purchases had been at old leather prices. The latter have not yet fully reflected replacement costs on the hide market.

Shoemen have already cast the die in favor of lower prices and costs. Most have already announced price reductions ranging from $1-$2 at retail on various lines. Reductions are based almost entirely on a gamble that leather and raw material costs will be cheaper in coming months.

The recent firming of hide prices has threatened this gamble. Shoemen realize full well if the hide market continues bullish, it cannot fail to push up leather prices and consequently shoes. Ordinarily this would not worry the trade but the public's disinterest in shoes at present prices has made manufacturers keenly alert to price trends. They feel that consumers would be far from receptive to higher shoe prices so soon after the last inflation. Rather, the public is demanding lower prices and shoemen are trying to meet the demand.

Leather men were also strongly opposed to further cost increases in their own product. They feared they might easily be caught in a squeeze between higher rawstock costs and determined price resistance from shoe manufacturers. Also, the industry could suffer a severe blow if shoemen turned from leather to competitive synthetics at a time when leather was fighting to hold its own.

Veteran market observers still believed that the hide market could not hold to present levels. The majority felt that the recent boom was a false one, that it could not last. Packers, however, appeared otherwise inclined.

Big packers still claimed their kill was down to 50 percent of normal, that they could not operate profitably under Government controls which limited prices they could pay for livestock while keeping meat and byproducts prices at specified levels.

Although receipts of livestock at slaughtering markets remained below normal, it was expected that supplies must soon pick up. Cattle are being held back on farms and feeder lots but must reach market shortly. This would soon create a surplus of hides, already bolstered by sizeable imports and lowered military footwear requirements. When it did, tanners claimed, hide prices must come down.

The result was that tanners did not rush to fill their new permits as they had done in late months. Buyers showed a definite bearish trend.

Israel Firm Will Produce Neolite

Neolite, plastic synthetic, will be produced in the State of Israel by the Serafon Resinous Chemicals Corp., located in Tel Aviv, according to the Israel Office of Information in New York.

Serafon is a joint enterprise of American plastic manufacturers including Commonwealth Plastics of Leominster, Mass., the American Resinous Chemicals Corp., Peabody, American Polymer Corp., the Palestine Economic Corp. of New York and the American Porcelain Tooth Co., Ltd. of Tel Aviv.

The new Israel plant, operating under license, will produce enough not only for domestic requirements but is expected to export sizeable quantities of Neolite soles and heels.

SHOE BOARD MEN STUDY PRICING RULES

Discuss Tailored Ceilings With OPS

Members of the Shoe Board and Binders Board Industry Advisory Committee met with Office of Price Stabilization officials to study the question of suitable price regulations for the industry.

Committeemen agreed that further pricing studies should be made in the field before reaching any decision. OPS officials agreed to make a survey of 18 companies making shoe board and several firms manufacturing binders board.

The industry produces varieties of paperboard used by shoe manufacturers in such products as counters, soles, mid-soles and heeling board.

Most industry executives felt that it would be almost impossible to fix flat dollars and cents ceilings for the industry since grades vary so much with individual manufacturers. They said it would be difficult to do so even for a few selected key grades.

It was agreed generally that there is no pressing need for a tailored regulation since prices frozen on Jan. 26 under GCPR were all the market could stand competitively. Spokesmen said, however, that a tailored regulation issued later would allow them to obtain normal profit margins whenever the market would support higher prices.

Majority opinion was that prices on waste paper, a basic raw material for the industry, be set first before attempting to fix ceiling prices on paperboard, etc.

Chain Store Unit Sales Show Decline

Sales of shoes in retail chain stores and mail order houses during Aug. 1951 totaled $58 million, the identical figure reported by the Census Bureau for both Aug. 1950 and July 1951.

Based on price increases averaging 10 percent above last year, it is apparent that unit sales during the month fell appreciably below Aug. 1950.

The seasonally-adjusted index of average daily sales, using 1935-1939 as equal to 100, shows that the index was 55 for both Aug. 1950 and for July 1951 but rose two points to 257 in Aug. 1951.

INTERNATIONAL SHOE REDUCES MOST PRICES

Action Based On Decline In Raw Markets

International Shoe Company, in letters to its 30,000 retail merchant customers throughout the country, has announced price reductions on the majority of shoes manufactured by its four general line sales divisions.

The new wholesale prices apply to any unfilled orders that carried higher prices at the time the order was placed, but do not apply to any shoes shipped prior to Oct. 1.

On men's calfskin shoes produced by the four general line divisions, the letter stated, reductions at wholesale are as much as $1.00 a pair, and on women's calfskin shoes, as much as 45 cents a pair. "On men's dress and work shoes," the letter continues, "some lines are not reduced at all, others are reduced as much as 65 cents a pair. On children's and girls' shoes, the reductions are from nothing to 25 cents a pair; on women's shoes other than calfskins, reductions are from nothing to 35 cents a pair.

Trends Conflict

"New prices," the letter states, represent adjustments we think are in line with raw material market developments of the past 60 days.

"In Aug. domestic cattle hides sold below O.P.S. ceilings to the extent of eight or nine cents per pound. In Sept. this trend was sharply reversed, and as of today cattle hides are selling some at ceilings, some at one cent below ceilings, and others at two and one-half cents below ceilings. Calfskins which have an O. P. S. ceiling of 80 cents per pound, in Aug. dropped to 47½ cents, and in Sept. were offered at 55 cents per pound.

"Prices on leather generally have reflected the downward and upward movements in the hide and skin market. These new prices on our shoes are based neither on the bottom of the dip in Aug. nor on the peak of the rebound in Sept. They represent our best judgment as to what our prices should be at this time."

Net effect at the retail level of these wholesale price adjustments, the letter explains, will depend on the individual dealer. "If shoes have been marked up to the full replacement during the past several months," it continued, "some reduction at the retail level will be possible. In cases where replacement pricing has not been the practice, the reductions may permit a continuation of present retail prices."

Wholesale price reductions on men's and boys' shoes produced by Winthrop Shoe Co., a specialty division of International, range from nothing on a few shoes to as much as $1.35 per pair on some.

New retail prices of most shoes produced by specialty divisions will be generally lower. Women's shoes made by Vitality Shoe Co., for example, will retail at $10.95 to $12.95, except for the flat and casual types of shoes, and they will sell at $8.95 and $9.95. The bulk of women's shoes manufactured by Queen Quality will sell at retail for $11.95 and $12.95, with a few ranging up to $14.95. Women's shoes made by Accent Shoe Co. will retail at $8.95, $9.95 and $10.95.

List Divisions

Other specialty divisions of International whose shoes at retail will reflect the general price reduction are: Pennant Shoe Co., manufacturer of women's shoes; Conformal Footwear Co., women's and men's, and Great Northern Shoe Co., Manchester, N. H., men's.

This is the second price reduction announced by International in the past seven months. A previous reduction averaging about seven percent was made by the company last Feb. 23.

Ready Advance Boston Shoe Show

Last minute trends in prices and materials will be seen in several hundred spring and summer shoe lines to be displayed at the Advance Spring Shoe Showing, Oct. 14-18 at Boston's Hotels Statler and Touraine, George A. Dempsey, show chairman, announced this week.

To date, more than 200 manufacturers of men's, women's and children's shoes and slippers have contracted for display space at the show. Many factory executives and sales representatives will be on hand at this, the East's first official spring showing, to discuss conditions with visiting buyers.

In addition to hotel exhibits, many sample rooms in the Lincoln St. area of Boston will be open to visitors. Free taxi service between the hotels and manufacturers' showrooms has been arranged by the sponsoring New England Shoe and Leather Association. The Association will also provide buyers with a directory of footwear suppliers, according to shoe types and prices.

OCTOBER HIDE PERMITS 100% AGAIN

NPA Reports Hide Supplies Ample

The National Production Authority did the expected this week when it announced that tanners and contractors may buy as many cattlehides, calf and kip skins in October as they did in the base period 1950.

The action marked the second consecutive month that the agency allocated hide and skins at 100 percent of base period. Agency spokesmen said ample supplies made the full allocation possible.

NPA again extended purchase period from two weeks to the entire month of October.

Setting of 100 percent allocations for the second time since Feb. when hides and skins were placed under quota controls dispelled rumors that the Government is fearful of a tightening rawstock supply. Reduced livestock marketings and slaughter by big packers had led some industry sources to predict a shortage of hides and skins later this year.

NPA designated Oct. allocations as follows: 1,817,100 cattlehides, representing 100 percent of the month's total use base period. The Sept. figure was 1,876,200. Calfskins were set at 789,300 in October against 813,800 a month ago while kips were at 257,400 compared with 258,200 last month.

BATA OFFERS HOME

Thomas Bata, noted scion of the Bata shoe interests in Canada, descendant of the famed Czechoslovakian shoe manufacturing line, has offered Francek Jarda, train engineer, who recently drove a train loaded with passengers out of Communist Czechoslovakia, a new home and job in Canada.

Jarda hit the headlines throughout the world when he "kidnapped" a trainload of Czechs right under the noses of Red officials and escaped, train and all, into Germany.

Bata said that he had read the account of Jarda's dash to freedom and decided he "sounded as if he had the right idea about democracy."

JUDGE SHOE REPAIR COMPETITION

Judges who helped select winners of annual Silver Cup competition for the outstanding shoe repair work of the year are pictured talking over various entries. Left to right, Emil Perruso of United Shoe Rebuilders, a 1949 cup winner; Carl E. Swanson, superintendent of Florsheim Shoe Co. women's shoe plant; and James V. Malone, editorial research director, Leather And Shoes. Winners will be announced in Nov. by the Shoe Service Institute of America, Chicago. Entries were judged on workmanship in restoration, attractiveness, efficiency and merchandising appearance of store and shop.

UNITED SHOE HIKES BEVERLY WORKERS' PAY

Employes of the Beverly, Mass., plant of United Shoe Machinery Corp. were informed this week that they will receive a wage increase of three cents per hour, effective immediately.

Wilson Palmer, general superintendent of the plant, in an announcement posted on the plant's bulletin boards, said that on Nov. 15 workers would be paid the three cents increase retroactive to March 15 of this year. The raise has been approved by the Wage Stabilization Board.

F. J. Moynihan Joins NPA Leather Division

News of the appointment of Fred J. Moynihan, editor of the *Shoe and Leather Reporter*, industry tradepaper, as special assistant to Julius Schnitzer, director of the Leather Division, National Production Authority, was announced officially this week.

Moynihan, who has been associated with the trade press for the past 40 years, is on leave of absence from the *Reporter*. While with NPA, he will be responsible for implementing military and other special programs of the Leather Division.

OPS EXTENDS CATTLE PRICE EXEMPTIONS

Relief For Slaughterers Provided

The Office of Price Stabilization has extended from Oct. 1 to Nov. 4 the exemption from live cattle ceiling prices for slaughterers unable to obtain at least 50 percent of their 1950 production.

The exemption permits slaughterers who have difficulty in obtaining cattle to offer higher prices for livestock provided purchases within the accounting period are no more than 50 percent of individual slaughter in the corresponding 1950 period.

Slaughterers still comply with OPS cattle ceilings by paying no more than the maximum permitted amount for all cattle slaughtered during an accounting period of four to six weeks.

Slaughterers able to obtain between 50 and 75 percent of 1950 production must not exceed permitted maximum by more than one percent during the accounting period. Those with 75 percent or more must comply with ceilings.

Operators with more than one plant cannot pay above ceilings if they are able to obtain 65 percent or more of 1950 figures. This has been reduced from a previous 80 percent for multiple plant operators.

IT'LL TAKE SELLING

A throwback to the hardier breed of salesmen who sold refrigerators to Eskimos is Colin Richards, an English shoe salesman.

Richards recently began looking around for new fertile territory in which to sell his shoes. He decided that the African jungle—where the world's greatest number of barefoot people are concentrated—offered the best opportunity.

On Sunday, Sept. 23, Richards set off for darkest Africa accompanied by a mobile shoe store with which he will attempt to convince the natives they should wear shoes. The store is an elaborately equipped truck and trailer designed by British Bata Shoe Co. It carries a public address system and a recording machine which gives out music and sales talks in a variety of African dialects.

Richards' sales talk will stress the fact that it is a good idea to wear shoes when walking over thistles and other jungle hazards. He also hopes to train a shoeshine boy to operate the shine parlor located in one corner of his truck.

NPA RELAXES DEERSKINS ORDER

Cites Decline In Military Needs

The National Production Authority this week revoked Order M-29 reserving deerskins for military use only and made them available for civilian manufacture.

NPA said the action was made possible by a decline in military demands for deerskin combat gloves. Although deerskins no longer must be used for military purposes, the agency said it was necessary to continue processing restrictions on such skins to assure adequate supplies for the military and to provide equitable distribution of available skins.

NPA extended the processing limitation of Order M-62 from Sept. 30, 1951, to Jan. 1, 1952, and placed deerskins under its limitations. Processing of all important hides and skins, except bovine, are restricted by M-62, issued May 15, 1951. The order covers horsehides, goatskins, cabrettas, sheepskins, shearling, kangaroo skins and now deerskins.

Extension of M-62 permits tanners and contractors to process 135 percent of the rawstock they processed in an average quarter of 1950. This is equivalent to the amount allowed during the previous three-month period (July through Sept.).

Tanners and contractors who did not process all their permitted quota in the May through Sept. period may carry over the difference for processing in the fourth quarter. During the previous five months, tanners and contractors could process 600 percent of the 1950 average monthly processing.

Tanners and contractors must report to NPA by Oct. 20 on F-73, the number of deerskins, skivers and fleshers processed during 1950. They must also report by Nov. 10 on F-72 their Oct. wettings, raw stock and leather production.

NPA concluded that revocation of M-29 and continued liberal processing quota established by M-62 will permit channeling of increased quantities of these hides and skins to civilian use.

St. Louis Group To Offer Prizes At Fair

The St. Louis Shoe Manufacturers Association has announced it will offer three attendance prizes at the National Shoe Fair which opens in Chicago on Oct. 29. Prizes have not yet been selected but will be of substantial value, acording to Ray Kohn, Association president.

Visitors to display rooms of St. Louis Association members will be asked to fill out cards and drop them in a sealed ballot box. Drawing of prize winners will be held Monday afternoon.

Members of the Association will once again use the identifying airfoam mats which they placed at the doors of their display rooms last year.

HOUSE TO HOUSE SALES

Shoes sold direct to the consumer in his own home in 1948 by ten direct-selling "house-to-house" shoe firms amounted to about $3,613,000 of business, the Census Bureau reports in a special study of "selected types of operation."

Also cited was the fact that 16 mail order shoe stores in 1948 did $2,807,000 of business. The house-to-house group used 77 employes earning $168,000,000, while the mail order firms had 145 drawing pay of $290,000,000.

New Hampshire Shoe Scene Still Spotty

Shoe manufacturers in Manchester, N. H., have made guarded forecasts relative to fall business prospects, compared with those of a year ago, but one plant spokesman, Harold Goldberg, vice president of Johnson Shoes, Inc., stated that such a comparison was not a normal one.

"Last year," Mr. Goldberg pointed out, "the Korean War produced a flood of rumors that shoes would be scarce. As a result, a customer bought three or four pairs of shoes instead of the one or two he needed."

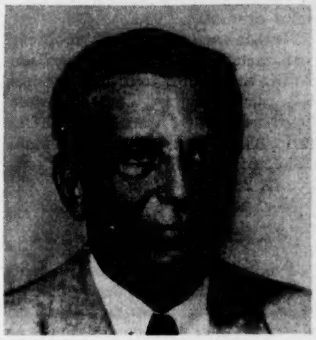
George Fecteau, regional director of the United Shoe Workers (CIO), reported that the employment situation indicated that the shoe business is "a little bit spotty."

"Some plants are going at capacity," he reported. "Others have fallen off. I think that plants making higher priced women's shoes have run into public resistance. And styles change rapidly in women's shoes, so that creates a bad situation."

Another Manchester shoe official declared: "We have the peacetime potential for booming business if we stop looking for war business to walk to our door."

Meanwhile, New Hampshire's shoe workers have found work on the upgrade since the first week in June, whereas prior to that time, during the seasonal layoffs, many of them had become so discouraged that they considered seeking other lines of work.

NEWLY PROMOTED AT HOOKER



Bjarne Klaussen, left, who has been elected executive vice president of Hooker Elctro-chemical Co., Niagara Falls, N. Y., and Donald E. Springer, chief engineer of the company. Klaussen, a graduate of the University of Oslo, joined Hooker as a research chemist in 1916 and rose through various positions to vice president in charge of all Hooker production in 1947. Springer joined the firm in 1936 and has been assistant chief engineer since May of this year.

FOREIGN NEWS

Davis Cuts Output

Davis Leather Co., Ltd., leading Canadian tanner, has reduced leather production to approximately 35 percent of capacity over the past five months, according to company spokesmen. During the summer months, production fell even lower due to a slackened demand from shoe manufacturers for high grade calf.

The company is optimistic about an early pick-up in business according to James A. Gairdner, president. However, stocks of raw calfskins and partly finished or finished leather are being kept at a working minimum and will remain so until sales warrant increased output.

Canada's Shoe Output Up

Production of leather footwear in Canada for the first five months 1951 totaled 15,657,196 pairs, a gain of some 1.5 million pairs over the 14,074,658 pairs produced in the same period last year. Latest available figures for May show a production of 3,179,221 pairs, a decline of 107,840 pairs from April but up 358,526 pairs over May 1950.

Canada had some 272 footwear manufacturing plants in operation during the month, according to latest Government figures. Locations were listed as follows: Quebec, 168; Ontario, 83; British Columbia, 9; Manitoba, 6; New Brunswick, 3; Nova Scotia, 2; and Alberta, 1.

African Wattle Grows

Production of wattle bark in British East Africa has been expanded steadily over the past few years with the result that current production is geared to 38,000 long tons of extract annually.

Wattle bark exports last year totaled 5,064 long tons, a substantial decrease from the 9,938 long tons exported the previous year. India and the U. S. were main importers. Wattle bark extract exports in 1950 totaled 24,126 long tons in 1950 against 21,968 tons the year before with India, Britain, Japan and the U. S. the main importers.

Heads Sales

Vernon H. Brierley, who has been promoted to vice president of North & Judd Mfg. Co., New Britain manufacturer of shoe buckles. Brierley has been merchandising manager of the firm since early last year. He will be responsible for all sales to Government agencies as well as post war planning and expansion of the company's products.

MILITARY BIDS AND AWARDS

Leather

October 16, 1951—QM-30-280-52-306, covering leather items as follows: 407 backs chrome tanned, leather, lace, 6-7 oz.; 330 backs, natural russet leather skirting, 10-12 oz.; and 150 skins brown tooling, El Morocco sheepskin leather. Opening in New York at 1:00 p.m., for the Army.

Tropical Boots

October 17, 1951—QM-30-280-52-313, covering 66,996 pairs of tropical combat boots. Opening in New York at 11:00 a.m. with delivery at 20,004 pairs during Jan., Feb. and March, and 6,984 pairs during April, 1952. Spec. Mil-B-11433 dated Sept. 6, 1951, for the Army. Treated with paranitrophenol.

Low Quarter Shoes

October 18, 1951—QM-30-280-52-336, covering 205,020 pairs tan low quarter shoes. Spec. MIL-S-2462 dated Sept. 26, 1950. Opening in New York at 11:00 a.m. with delivery during Jan. 1952 to various Army depots.

Leather Gloves

October 18, 1951—Invitation No. 91-S, covering 117,880 pairs, leather lined gloves, slip-on. Spec. 22, April 39 revised May 24, 1949. Delivery Nov.-March. Invitation by Marine Corps Depot of Supplies, Philadelphia.

Orthopedic Shoes

October 25, 1951—QM-30-280-52-343, covering 1688 each, convalescent orthopedic shoes. Opening in New York at 4:00 p.m., for the Army.

OPEN SERVICE SHOES

There were twenty-eight bidders at the opening of Army invitation No. 30-280-52-232 — calling for 96,012 pairs service shoes with composition soles. Low bidder was Endicott-Johnson Corp. which offered to supply 84,000 pair at $5.49, 10 days acceptance, net, at government delivery. The 10 lowest bidders follow:

Endicott-Johnson Corp., Endicott, N. Y.; 84,000 pr. $5.49; or all $5.87; 10 days acceptance, net. Gov. Del.

General Shoe Corp., Nashville, Tenn.; 32,004 pr. each at $5.62, $5.72, $5.92; or all at $5.75; 10 days acceptance, 1/10 of 1% in 10 days. Gov. Del.

J. F. McElwain Co., Nashua, N. H.; all at $5.805; 30 days acceptance, net. Gov. Del.

Brown Shoe Co., Inc., St. Louis, Mo.; all at $5.98; 20 days acceptance, net. Gov. Del.

A. Freedman & Sons, Inc., New Bedford, Mass.; 36,000 pr. $5.995; 60 days acceptance, 1/10 of 1% in 10 days. Gov. Del.

John Addison Footwear, Inc., Marlborough, Mass.; 20,000 pr. $6.06; or 40,000 pr. $6.31; 60 days acceptance, 1/10 of 1% in 10 days. Gov. Del.

Craddock-Terry Shoe Corp., Lynchburg, Va.; 24,000 pr. $6.08; 20 days acceptance, 1/10 of 1% in 30 days. Gov. Del.

The Hanover Shoe, Inc.; Hanover, Pa.; 30,000 pr. $6.12; 30 days acceptance, net. Gov. Del.

Belleville Shoe Manufacturing Co., Belleville, Ill.; 45,000 pr. $6.198; 10 days acceptance, 1/10 of 1% in 10 days. Gov. Del.

International Shoe Co., St. Louis, Mo.; all $6.33; 20 days acceptance, net. Gov. Del.

SAVOY WINS AWARD

The New York Quartermaster Procurement Agency has announced award to Savoy Shoe Co., Elizabethtown, Pa., on QM-30-280-52-154 covering 14,304 pairs women's white low quarter shoes. Award was for a total dollar value of $63,652.80.

ARMY MAY CHANGE WINTER SHOE COLORS

The color of some Army shoes will be changed experimentally during a "service test" of a new Army experimental winter general wear uniform to be conducted by two battalions of the 3rd Infantry Regiment starting next Dec. at both Washington, D. C., and Fort Myer, Virginia.

The Army Quartermaster Corps says that "the present low-quarter shoes will be darkened to a deep russet shade to match the darkened leather of the cap visor."

Two groups of 1,200 men each will be issued the new uniform, a greenish-gray color for coat, trousers and a service cap. The material is 16-ounce serge blended of 85 percent wool and 15 percent nylon, and the tests will be run all this coming winter and possibly next.

U. S., Canadian Foremen To Meet

Shoe foremen and superintendents of the U. S. and Canada will have an opportunity to get together and discuss their problems late next month at a rally to be conducted by the Shoe Superintendents' and Foremen's Association of Ontario. The meeting will be held in Kitchener, Ontario, at the Walper Hotel on Nov. 30-Dec. 1.

A full program of speakers and panel discussion has been planned for the event, as well as the usual entertainment. Invitations are being extended to all superintendents and foremen.

YANKEE HIDE MEN IN CANADA

U. S. hide men who attended the recent regional meeting of the National Hide Association, Sept. 17 in Montreal, Canada, pose for a group picture. The meeting was attended by 11 members from New England and 25 from the Canadian trade. All present enjoyed the usual round of activities including a series of talks and dinner and entertainment at the Mount Royal Hotel. Left to right, top row, Don Kibler, NHA president, Morris Bushenbaum, Werner Seidel, Leo J. Selya, Louis Bushenbaum, Joseph Greenbaum, and Palmer Kreutz. Bottom row, Edgar Baker, J. C. Hodges, Elmer L. Streb, Russell Grant, and Jack Minnoch, NHA executive director.

SLOWDOWN HITS LEATHER SALES AS BUYERS WATCH HIDE MARKET

Activity Of Recent Weeks Disappears Despite Price Steadiness

Sole and side leathers hardest hit. Shoe manufacturers have filled needs for moment. Calf a little slower, sheep and kid fair.

Sole Still Slow

Rawstock purchases last month by many sole tanners at advanced prices still not justified on leather market. Larger Boston tanners find sales below expectations after surge of last week. Those tanners who increased prices from 2-4c on various grades have a hard time moving them. Market as a whole hits slowdown.

One big reason for slower activity is fact many shoe manufacturers appear to have satisfied requirements for the moment. Shoe business continues spotty and manufacturers not interested in enlarging inventories. Thus tanners must keep their inventories at low levels. A concerted buying rush on market would soon exhaust available leather.

Another factor in buying sitdown is tendency of shoe manufacturers to sit back and watch developments on hide market. Most expect rawstock prices to decline in next few weeks . . . along with leather. Meantime, manufacturers are gambling on lower leather costs, say they will turn to substitutes if prices do not ease.

Heavy bends quoted in higher 70s but interest best at 72-75c grades. Mediums 82c and down find best business; not much above this. Light bends wanted at 85c and down. Tanners still asking up to 90c.

Sole leather tanners in Philadelphia report demand just about the same as last week. However, some tanners have temporarily withdrawn from the markets. Hides are now so high that in order to yield any kind of profit tanners will have to quote a price completely out of line. No one will quote any prices at all.

Offal Draggy

Boston sole leather offal market quietest in weeks, according to tanners and dealers. Little leather moving. Interest drags. Only prices remain the same but many tanners would be willing to talk business to get stocks moving again. Trouble is, tanners cannot make heavy concessions with hide market still strong.

Innersole demand almost nonexistent, say some offal tanners. Bellies are really dragging with steers offered at 45c although still quoted up to 52c. Some steers sold last week at 42c. Cow bellies slow even below 40c. Price lists at 44c and down.

Single shoulders with heads on bring 69-72c for lights when they sell. Heavies even slower at 58-63c. Double rough shoulders moderate at 85-87c and up to 90c. Heads and shanks static.

Calf Slower

Sales on Boston calf leather market slow down as entire market appears to have hit dead spot. Even less expensive grades of calf which have been active now find slower sales.

Tanners not pleased over firming calfskin market, say they have enough trouble selling leather at present prices. Most feel strongly against increasing leather prices at this time, fear it would drive away many recently regained customers.

Little doing in higher grade women's weights, priced generally at $1.00 and down. Even at volume grades—60c and down—not too much doing. Shoe manufacturers have taken care of most immediate needs, now waiting to see what market will do.

Men's weights were slow before this week, even slower now. Top grades priced not too firmly at $1.10

and down, can be had below this. Not much better at below 90c grades and cheaper grades could use a lot more business. Suede slow at $1.10 and down.

Sheep Only Fair

Boston sheep leather tanners who have been doing a moderate amount of business steadily over past months reports slowdown general throughout market. Shoe manufacturers show small interest, apparently have decided to keep purchases at a minimum until market situation is defined. Many buyers feel that improving skin supply will eventually result in lower lists on finished leather.

Prices generally unchanged. Specialty linings still listed at 34c and down; interest below this. Boot linings slow at 30c down to 26c. Shoe only moderate at 25-26c. Colors slow at 26-27c range. Chrome fairly quiet at 30-34c. Hat sweat slow as is garment.

Sides Feel Slowdown

Side upper leather market in Boston finally feels brunt of tightening market situation. Tanners in Boston who have generally been doing good business in past month or so now report almost complete reversal. Few sales, less interest.

Reasons are several. Leather buyers have filled needs in recent weeks, can afford to delay further orders, watch hide market. Most shoe manufacturers are looking for lower leather costs rather than increased in market, feel that present firmness on hide market won't last. If it does and leather prices go up, they threaten to turn more and more to substitutes. Thus tanners are caught between squeeze of higher leather costs and price resistance from buyers.

Majority of tanners still hold to last week's lists but not too hopeful about how long. Even lower priced selections find few takers this week. No one selection of side upper leather finds appreciable interest or sales. Thus prices remain purely nominal this week.

Splits Quiet

Boston splits tanners go along with side market, find little to encourage them this week. Buyers appear to have dropped out of market. This holds true even in heavy suede splits which have carried most tanners for recent weeks.

Firming hide market prevents tanners from considering reductions in

leather. Heavy suede splits still priced firmly at 40-50c. Light suedes nominal in upper 30's. Linings slow between 20-30c. Gussets quiet as is work shoe.

Kid Spotty

Kid leather tanners of Philadelphia find business just a little improved. Buying still spotty and mainly for present use, but in slightly greater volume than it had been.

Suede outselling glazed, with black in greatest demand in both types of leather. Colors still in sampling stages, mainly in glazed, but no orders have materialized. Manufacturers are not buying ahead as they used to and leathers for Spring shoes are not even being ordered as yet.

Slipper leathers remain slow. Practically no business in this type of leather, and since this is generally the high point of the season, little business anticipated for quite a while. Linings reported as quite inactive. Crushed and Satin mats are, with a very few exceptions, considered dead.

Prices still definitely off the published list prices and they are still agreed upon between purchaser and seller at the time the sale is made. Nothing new reported in rawskins.

Average Prices

Suede 45c-90c
Glazed 35c-$1.05
Linings 30c-60c
Slipper 35c-75c
Satin mats 69c-$1.20
Crushed 35c-85c

Belting Slow

Belting leather tanners of Philadelphia find themselves in the same situation as the sole leather tanners.

AVERAGE CURRIED BELTING PRICES CURRENT IN PHILADELPHIA

Curried Belting	Best Selec.	No. 2	No. 3
Butt bends	1.56-1.60	1.51-1.56	1.46-1.50
Centers 12"	1.87-1.89	1.76-1.79	1.58-1.62
Centers 24"-28" ..	1.81-1.84	1.75 1.76	1.61-1.63
Centers 30"	1.75-1.81	1.70-1.73	1.60-1.63
Wide sides	1.46-1.52	1.42-1.48	1.35-1.42
Narrow sides ...	1.40-1.45	1.36-1.41	1.30-1.37

Additional premiums: extra light plus 14c; light plus 10c; extra heavy plus 10c

Tanning Oils Firmer

A firmer tone to the Tanning Oils leather, lined gloves, slip-on. Spec. buying interest continues moderate. Stronger market attributed to a reported poor seasonal catch plus increased foreign buying.

Raw Tanning Materials

Divi Divi, 42% basis shipment, bags	$100.00
Wattle bark, ton	
"Fair Average"	$106.50
"Merchantable"	$103.00
Sumac, 28% leaf	$140.00
Ground	$135.00
Myrobalans, J. 1's	$60.00-$61.00
Crushed $79.00-$80.00 J. 2's	$54.00-$55.00
R. 1's	$60.00-$61.00
Valonia Cups, 3-32% guaranteed	$62.00
Valonia Beards, 42% guaranteed	$82.00-$84.00
Mangrove Bark, 30% So. Am.	$57.00
Mangrove Bark, 38% East African	$81.50

Tanning Extracts

Chestnut Extract, Liquid (basis 25% tannin), f.o.b. plant	
Tank cars	4.25
Barrels, c.l.	5.10
Barrels, l.c.l.	5.43
Chestnut Extract, Powdered (basis 60% tannin), f.o.b. plant	
Bags, c.l.	10.92
Bags, l.c.l.	11.65
Cutch, solid Borneo, 55% tannin, plus duty	.08
Gambier Extract, 25% tannin, bbls. .09½	.12
Hemlock extract, 25% tannin, tk. cars f.o.b. works	.0525
Bbls., c.l.	.05¾
Oak bark extract, 25% tannin, lb. bbls. 6½-6¾, tks.	.06¼
Quebracho extract	
Solid, ord., basis 63% tannin, c.l. plus duty	.11 31/64
Solid clar., basis 64% tannin, c.l.	.12 3/16
Liquid, basis 35% tannin, bbls.	*
Ground extract	*
Wattle bark. extract, solid (plus duty)	.11⅛
Powdered super spruce, bags, c.l. .05¼; l.c.l.	.05½
Spruce extract, tks., f.o.b. wks.	.01¾
Powdered valonia extract, 63% tannin	.9½-9¾

Tanners' Oils

Castor oil No. 1 C.P. drs. l.c.l.	.33½
Sulphonated castor oil, 75%	.38
Cod Oil, Nfld., loose basis	1.40
Cod, sulphonated, pure 25% moisture	.17
Cod, sulphonated, 25% added mineral	.15
Cod, sulphonated, 50% added mineral	.14
Linseed oil tks., c.l. zone 1	.176
drums, l.c.l.	.186
Neatsfoot, 20° C.T.	.39
Neatsfoot, 30° C.T.	.37
Neatsfoot, prime drums, c.l.	.22
l.c.l.	.23
Neatsfoot, sulphonated, 75%	.21½
Olive, denatured, drs. gal.	2.60
Waterless Moellon	.19
Artificial Moellon, 25% moisture	.14½
Chamois Moellon	.15½
Common degras	.14½
Neutral degras	.27½-.29
Sulphonated Tallow, 75%	.19
Sulphonated Tallow, 50%	.13½
Sponging compound	.15
Split oil	.14
Sulphonated sperm, 25% water	.19
Petroleum Oils, 200 seconds visc., tks., f.o.b.	.17
Petroleum Oils, 150 seconds visc., tks., f.o.b.	.16
Petroleum Oils, 100 seconds visc., tks., f.o.b.	.14

TRADING ON HIDE MARKETS HITS NEW IMPASSE

Tanners Show Small Inclination To Pay Higher Prices

With new October allocations effective Monday, the markets entered a new trading period. Difficult to appraise the trend of values early in week because of absence of many operators due to the religious holidays.

Nevertheless, early negotiations failed to reveal any particular change in the character of demand. Trading which developed in heavy cows bought for specialty tanners at ceiling price was a feature in the big packer market. Interest in other selections such as branded steers and branded cows continued at last paid prices, attributed to sole and shoe manufacturing tanners. Sole tanners, however, balked at meeting ceiling of 33c asked and last paid for heavy native steers, claiming the spread between these and branded selections, which have not yet reached ceilings, is too wide. Even belting tanners, according to some buyers, would "take a chance" on butt branded steers at 29c in preference to heavy native steers at 33c.

Upper leather tanners were testing out the market on light cows which also have not returned to ceilings, some of these buyers bidding 1-1½c under last paid prices. While the light cows seemed to have a soft undertone, it was noted that Chicago light native steers sold ½c up at 35½c. Bids on the light cows ranged 33 to 33½c as to points. Big packers, however, pointed out that their kill is only 50% of normal and still runs a large percentage of steers. Thus, they are not pressing cow selections for sale and some of these sellers feel these hides should bring ceilings not only for light cows but also branded cows.

Hides Firmer

Big packer trading has been quite large in comparison with the past two weeks. The trading this week has amounted to about 10,000 to 11,000 hides, reported, with heavy native cows figuring to the largest extent at ceilings of 34c. Bulls also sold at 24c, a ceiling price. The other activity was light native steers, one car selling at 35½c, up ½c.

The three active selections, plus bids on butt brands at ½c higher, represent selections in very short supply and selections that are wanted. However, volume selections are not attractive. Tanners cold on light native cows, having indicated 1½c under last prices but not placing firm bids. Other selections are either steady or questionable. Branded cows are steady, bids at 31c refused.

QUOTATIONS

	Present	Week Ago	Month Ago	Year Ago
Light native steers	35½	35	33½	32 -33¼
Heavy native steers	33	33	30	36½
Ex. light native steers	37	37N	34	33 -34
Light native cows	34 -35	34 -35	30 -31	33 -33½N
Heavy native cows	34	34	28	22N
Native bulls	24	22½	24	28½
Heavy Texas steers	27	27	30	30½
Light Texas steers	34½	34½	34½	33½N
Ex. light Texas steers	37	37	37	28½
Butt branded steers	28½-29	28 -28½	25	28
Colorado steers	27½	27½	24½	30½-31
Branded cows	31	31	29	21N
Branded bulls	22	22N	19	75 -80
Packer calfskins	55N	55cN	45 -47½	58 -60N
Packer kipskins	52½N	52½N	35 -40	62½-63

Small packer hides only very lightly active. Some hides sold on the basis of 10c under Table I, but the bulk of offerings are held for 5% under Table I, or 10% under where the bids are 15%. Sellers, again not having hides, are not prone to quick selling, buyers, on the other hand, cannot stir up a desire to buy. There are hides, but no burdensome quantities.

Country hides very quiet with bids and offerings far apart. Best bids around 25% under Table I, but offerings are held for 20% and 15% under Table I. Some bids, not capable of getting hides, were placed at 30% under Table I, but it was almost felt that the buyer did not bid with the intent of getting hides.

Skins Lull

Calfskins quiet with interest in packer production practically gone. The market, although not showing any surface signs of being strong, is felt to be better than last prices, but certainly not as good as had been expected earlier. Small packer calf very quiet, prices nominal, with offerings around but interest quiet depending upon the big packer move. Country calf is not wanted again, mainly because of a lack of faith resulting from the length of time it is taking to stir up some trading in packers.

Kipskins are felt to be stronger, but here again interest has been withdrawn, tanners apparently desiring to re-check their position and the market conditions elsewhere. Prices on next business, unless the hide market drops substantially, will be higher than last trading, it is felt, but just where they will be is difficult to say. Outside kip is very quiet pending the packer activity.

Horsehides Dull

The horsehide situation has fallen back to a very dull and uninteresting position. There is interest in the market only in a very limited way, and it is priced best at $10.50 for 70 lb. trimmed Midwestern hides. Sellers want at least $11 and will not go for less. Up to $11.50 has been asked on these hides. Untrimmed hides are figured about $1 more. Fronts are slow at $7.50 to $8.00, with butts called $3 to $3.50, depending upon size and quality, FOB shipping points.

Sheep Pelts Spotty

There is some opportunity for a better market for some of the sheep selections. Shearlings for Mouton have been the best selection right along, including fall clips and suitable springers, but even at best this interest is priced well below the tops of the market noted a few months back. The best price on No. 1 big packer shearlings is around $3.50 to $3.75, sellers claiming sales at those levels, but it is said elsewhere that the average run shearlings will bring $3.25 at best. The Mouton shearlings at $3.75 are felt to be special selections. The No. 2 and No. 3 shearlings are figured at $2.10 and $1.65 respectively for big packers. Spring lambs are tops at $3 per cwt. for pullers, $3.50 per cwt. for Mouton, selected. Fall clips are best at $3.50. Pickled skins are called $14 per dozen on the sellers side.

Dry Sheepskins Firm

Trading in raw stock difficult to confirm as most buyers are still out of the market, claiming that they are more interested in moving the finished product. Primary markets, however, have again firmed up, especially following the rise in the various wool markets.

At Sydney, Australia, wool sheep auctions last week, 29,000 skins moved with two thirds and full wool advancing 10-13 pence, other descriptions 6-8 pence, longer lengths said to be most affected. Following this rise and the increases at the various wool auctions, sellers firmed up in their asking prices both for pulling skins and shearlings. Pullers slow to follow.

Shearlings have also firmed up at origin. Reports that Europe paying 34 pence for ¼-½ and 42 pence for ½-1-inch Cape shearlings.

Hair sheep markets have also firmed up and latest reports from Brazil state sellers asking $15-$16 for regulars with specials proportionately higher. These prices are considerably over the ideas of buyers here. Cape glovers also firmly held with shippers talking around 150 shillings basis primes. Prices said to be obtainable in England but out of line with buyers views here. Addis-ababa slaughters nominally quoted at $13.50 and not selling here. Other varieties nominal.

Reptiles Limited

Although trading still limited, some selling quarters state there is interest in the market and if India shippers would make combined offerings of the smaller and larger size whips, they could move sizable quantities. Buyers not willing to take the small sizes alone, indicate they would pay 65c for Madras bark tanned whips, 4 inches up, averaging 4½ inches, 70/30 selection, combined with 70c for skins averaging 4¾ inches and 75c for skins averaging 5 inches. Even indicated for 5 inches alone, buyers would pay 80c.

Cobras nominally quoted at 40-42c for skins 4 inches up, averaging 4½ inches, 70/30 selection. Buyers only interested in skins running 4½ inches averaging 5 inches and even 5½ inches. Shippers looking for bids on lizard skins with interest limited.

Wet salted back cut Agras, 9 inches up, averaging 10 inches, 80/20 selection, held up to 28c as against buyers ideas at 23c. Last confirmed sales at 25c. Small quantities of alum averaging 13 inches, 55/45 selection, held at 12½c and wet salted, same sizes but 75/25 selection, at 11½c.

Bark tanned water snakes, 3 inches up, averaging 3¼ inches, 70/30 selection, held at 12c but no interest. Some offerings of Brazil giboias at 75c fob. Back cut tejus nominal as the season is over.

Deerskins Waiting

Buyers claim it is too early to know what affect the revocation of Order M-29, allowing the use of deerskins for civilian goods, will have on the market. Processing restrictions placed them under Order M-62, permitting tanners and contractors to process 135% of the amount they handled in an average quarter of 1950 for the quarter, Sept. 30th to January 4, 1952.

Buyers seem to feel that prices may ease as offerings of Brazil "jacks" at 76c fob., basis importers, does not interest buyers, who claim that they are out of the market. Last confirmed sales at 74c fob., basis importers. Siam market slow as not many offers made, shippers reporting a well sold up position.

Pigskins Same

Trading still difficult to confirm. Reports from primary markets indicate shippers willing to go along at last trading levels but buyers showing practically no interest in Fulton County. Offerings of spot skins at prices in line with those asked for shipment. Last confirmed trading in Manaos grey peccaries for shipment at $2.40 fob., basis importers. Until business develops, all prices nominal. Chaco carpinchos nominally quoted under $3.00 c&f. though shippers at origin have higher views.

News Quicks

About people and happenings coast to coast

New Jersey

• **Fashion Sport Shoe Co., Inc.,** Paterson manufacturer of women's footwear, has filed a second amended Chapter XI plan to pay unsecured creditors 15 percent cash on confirmation, it is reported.

• **Nopco Chemical Co.,** Harrison, has announced the following appointments: **Laurence E. Rossiter** takes over as New England District sales manager, succeeding Harold J. Waldron, who has retired; **Thomas Fahey** has been appointed to the southern New England sales force; and **John R. Craig** will cover the states of Texas and Oklahoma.

Wisconsin

• **David V. Nason** has been elected president of **J. Laskin & Sons Corp.,** Milwaukee lambskin tanner. He was formerly executive vice president. **Stuart Karsseboom** was elected vice president in charge of sales and **Joseph Stecker,** vice president in charge of production. **Norman Schuette** was named secretary and treasurer and **David Friedman** eastern division sales manager.

Missouri

• **Richard M. Streiker** has resigned as sales manager of Carlisle Shoe Co. and joined Laird Schober & Co., Inc., St. Louis, as executive vice president in charge of sales and a member of the board of directors. Streiker has also been named executive vice president in charge of sales at Colella, Inc.

• The townspeople of Slater are presently conducting a campaign to raise $100,000 to erect a factory building for **Town & Country Shoe Co.,** it is reported. The company has agreed to start making shoes in a temporary plant pending construction of the new building.

• **Trimfoot Co.,** Farmington, is planning a large in-stock program for its 8,000 dealers. Retailers will be offered a 24-hour re-order service.

Tennessee

• **General Shoe Corp.** is in process of consolidating its children's and teen age shoe lines. Edgewood Shoe Co., maker of Edgewood and Friendly shoes, will be merged with the Acrobat and Storybook companies. Tom Bowers, vice president of Edgewood, will be in charge of the Friendly-Acrobat line, and Gray Simpson, vice president of Storybook Shoe Co., will head Edgewood-Storybook Shoe Co.

California

• **Illing of California,** Los Angeles, is reported to have offered general creditors cash compromise settlement. Liabilities are estimated at $41,218 and assets at $22,203.

Maine

• The **Lewiston-Auburn Shoeworkers Protective Association,** bargaining agent for some 3,500 shoeworkers in 13 shoe plants and three wood heel factories, has withdrawn a request for a wage increase after commenting that conditions in the industry are too "chaotic." The union said it has reserved the right to reopen its demand for a general increase on 30 days' notice.

Illinois

● **Fred Locke,** veteran hide man, has joined **Alfred Jacobshagen & Co.,** Chicago hide broker and dealer. Locke has been with the Hide Bureau of the Commodity Exchange, was hide inspector for U. S. Leather Co., and formerly special agent for the OPS hide bureau in Chicago.

Massachusetts

● All officers and directors of **American Hide and Leather Co.,** Boston, were re-elected at the annual meeting on Sept. 26. Officers are Claude Douthit, chairman of the board; Carl F. Danner, president; Samuel Haight, vice president; Charles E. Nichols, treasurer; George C. Scott, secretary; and Timothy F. Brown, assistant treasurer.

● **Korn Leather Co.** of Peabody, tanner of side uppers and splits, has appointed **S. Farkash, Inc.,** as sales representative in Pennsylvania, Maryland and Virginia. Offices, soon to be opened in Harrisburg or Philadelphia, are presently located at 34 Spruce St., New York City.

● **Behr-Manning, Inc.,** has appointed **Clay R. Caroland Co.** of Clarksville and Nashville, Tenn., as agent south of St. Louis for its abrasives for the shoe industry. Caroland also handles synthetics and fabrics produced for the shoe industry by **Phillips-Premier Corp.** of Boston and strippings, bindings and pipings offered by **Ouimet Corp.**

● **American Polymer Corp.,** Peabody, has announced price reductions on styrene-butadiene latices. Products find particular use in compounding synthetic latices and extending natural latex for the adhesive industry.

● **Harry Engelman,** president of Derman Shoe Co., Milford, has pleaded not guilty in U. S. District Court, Boston, on charges of wilful evasion of Federal income taxes. Both Engelman and Derman Shoe Co. have been charged with evading taxes of $41,388 for the fiscal year ended May 31, 1945, by filing false return.

● Officers of **Knapp Bros. Shoe Corp.,** Brockton, world's largest direct mail order shoe firm, recently feted some 80 employes for their work in moving some 400,000 pairs of shoes and office and shipping-room equipment of two plants with loss of only one day in shoe shipments. The 80 men moved 165 large trailer loads from the Packard plant and the old E. E. Taylor factory in less than six weeks. All material was moved to the former W. L. Douglas Shoe Co. administration building, recently purchased by the Knapp Co.

● Foremen of the **American Hide and Leather Co.** plant at Lowell recently held their 15th annual outing at the Dracut Club in Lowell.

● Haverhill is now the exclusive home of Haymaker shoes. Abe Turiansky, president of **The Haymaker Shoe Corp.,** reports that the company has combined its New York and Haverhill shops at the latter location. Production of the firm's hand-sewed women's moccasins, retailing for approximately $15 per pair, is about 500 pairs daily, with some 75 workers on a steady production schedule.

● **C. S. Marston, Inc.,** Haverhill manufacturer of skating, football and baseball shoes, has added roller skating shoes to its line. The new line

will help give the firm a continuous rather than seasonal production schedule.

• **Albert F. Haley,** associated with Hoyt and Worthen Co., Haverhill, for the past 25 years, has leased office and factory space on Maple St., Haverhill, for the production and sales of lacquer finishes for leather. A graduate of Lowell Textile Institute, Haley developed a process for applying lacquer to leather by hand instead of by spray.

• Charlton Parker, owner of **Parker Leather Co.,** and Clayton F. Strobel, proprietor of **Strobel Leather Co.,** both of Haverhill, have merged the two firms. The new firm will be known as **Parker-Strobel Leather Co.** and will make soles and toplifts on the top floor of the Carleton Bldg., Phoenix Row.

• **Fobern Shoe Co.,** Haverhill, is planning to expand facilities and production in the near future. Production is presently stated at 100 cases of sandals and playshoes daily.

• **Universal Stay Co.,** Chelsea, has taken over Spencer Universal Corp., also of Chelsea, and Norumbega Combining Co. of Wakefield. The former has handled a line of artificial leathers by Goodall Fabric Co.

• **Lincoln Shoe Co., Inc.,** Haverhill, has been fined $500 and ordered to restitute $3,054.82 to employees who worked more than 40 hours without receiving overtime pay. The company pleaded nolo contendere as trial on charges of violating the Fair Labor Standards Act was about to begin in Federal Court, Boston. George Valhouli, president and treasurer, and Christopher Petrou and George Kosmes were freed by order of the court.

New York

• **Blue Cross Shoes, Inc.,** was recently incorporated under New York State laws to manufacture footwear at 401 Broadway, New York. Principals are Zoltan Gross, Isadore Mandel and Israel Rubin.

• **Lewis Handel Footwear Corp.** has been organized at 29 Broadway, New York City. Irving Weinstein is principal.

• **Harold Kessler,** former merchandise manager for shoes at Alexander's in the Bronx, New York, has joined Jaycee Footwear, Hempstead, L. I., manufacturer. He will be sales manager and stylist for the firm, according to Dominic Calderazzo, president.

• **Moe Rosner** has been named New York metropolitan representative for **Lincoln Leather Co.,** Pennsylvania tanner of elk, Linco-moc and calf leathers.

• **Vincent Melchore,** well-known New York shoe executive, has been named representative on the Educational Committee of the Fashion Institute of Technology. He will represent the New York Superintendents' and Foremen's Association at the school, which is part of the City's Board of Education.

• **Guy Barile** has joined Vincent Horowitz Co., Inc., of Altoona, Pa., as lasting and making room foreman. Barile has been active around New York for many years.

• **Allied Shoe Machinery Corp.** of Boston has set up an exhibit of its cement process equipment at 40 West 25th St., New York City. M. Merino and M. Rosenblum are demonstrating the machinery, which includes the firm's new four-station rotary and high speed hydraulic presses.

• At the recent creditors' meeting of **Peppy Footwear,** Brooklyn, a creditors' committee was set up to select accountants who will prepare a full report on the concern's finances. Liabilities are estimated at $350,000, with assets slightly more than this.

• **Macungie Footwear Co., Inc.,** has sold its Macungie, Pa., plant to Faith Shoe Co. of Wilkes-Barre, it is reported. Macungie's stock has been moved to Norma Footwear Co. in Brooklyn.

• Joseph Berkowitz of Levittown, N. Y., has organized **Berko Sales** to handle shoe findings and supplies.

• **Progressive Tanning Corp.** has been organized to handle leather at 1440 Broadway, New York. Benjamin Gold is listed as principal.

• **Clarke Shoe Co.,** Auburn, has opened a sales office in the Marbridge Bldg. The firm makes women's cement process shoes.

• **Alexander Kramer** and **Stanley Weinrauch** have withdrawn from Alpine Leather Co., New York, and organized Viking Leather Co. Jack Kramer is now sole owner of Alpine Leather Co.

• **William Kirschner** has resigned as sales manager for Honeybugs, Inc., New York. He has been with the firm since early this year. Future plans were not disclosed.

CUT STOCK

(Continued from Page 10)

account for perhaps 45 percent of the total volume rather than the 39 percent, while the small firms account for about 55 percent instead of the 61 percent credited to them.

A breakdown of plants by size shows some interesting figures. The smallest 132 plants, or 22 percent of the total, do only two percent of the total dollar volume of business.

The smallest 232 plants, or 38 percent of the total, do only five percent of the total volume.

The smallest 342 plants, or 56 percent of the total, do only 13 percent of of the total volume.

The smallest 486, or 80 percent of the total, account for 36 percent of the total volume.

The smallest 561, or 93 percent of the total, account for 61 percent of the total volume. These 561 plants, incidentally, are all in the "small business" category, for each employs 100 or fewer persons.

Employment Analysis

Another interesting view of comparative size of these firms is in terms of employment. For instance, the smallest 22 percent employ only one to four persons, while the smallest 38 percent employ 9 or fewer persons. Actually, these are small shops rather than small manufacturing plants. The smallest 56 percent employ 19 or fewer, while 80 percent of all plants employ 49 or fewer. A total of 19,700 production workers were employed in the footwear cut stock industry in 1947. Of these, 10,860—or 55 percent—were employed by the 561 plants classified as small business.

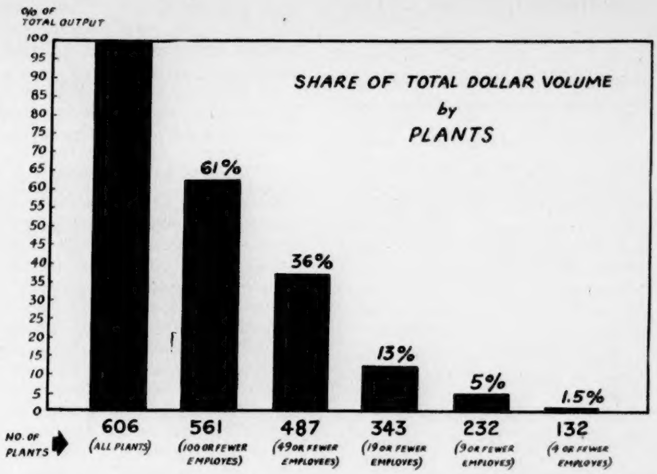
The reasons behind the heavy dominance of "small" firms in this industry may prove interesting. Traditionally, footwear cut stock firms have sprouted wherever shoe manufacturing centers have risen. If the shoe manufacturing center shifted, so did many of the footwear cut stock firms. This pattern has been in existence for the past century.

Decades back, when transportation was relatively slow enough to hamper deliveries of goods, shoe manufacturers wanted their supply sources to be near at hand—in the same community, if possible. Hence, a large share of these supply firms rooted and sprung up in such shoe producing communities as Lynn,

Brockton, Rochester, Haverhill, St. Louis, etc.

This proximity of relation or location between the shoe manufacturer and supplier was essential. However, with the rapid progress of improved transportation and communication facilities, the importance of this close proximity was appreciably reduced. Also, while much of the shoe manufacturing was concentrated in certain communities, much of it also migrated to less concentrated territories —South, West, Midwest, etc. There was more isolation of shoe factories.

Shoe suppliers, however, remained within the important shoe manufacturing areas. They "lost" some of their business by the migration of many factories away from these communities, but there was enough left to hold them to the community and the remaining shoe manufacturers.



Should Be National

Meanwhile, the larger or more aggressive suppliers recognized the necessity of serving this " dispersing" shoe manufacturing industry on a national basis as compared with the localized basis used traditionally. They not only gathered in an increasing amount of business from these relatively "isolated" factories, but also "invaded" the local territories once dominated by the small firms serving a limited area.

Two factors aided them: first, modern transportation facilities, along with communication facilities, which permitted rapid delivery service; second, by modern production and merchandising techniques they were able to create strongly competitive prices even for strongly entrenched smaller firms. And in addition, they were equipped to handle large-scale orders by very large producers.

It is possible that we are seeing the crest of a trend. For example, only seven percent of the footwear cut stock firms do about 45 percent of the total volume of business. Contrarily, 93 percent of the firms in the industry account for only 55 percent of the volume.

This, obviously, creates a condition of intensifying competition within the industry — particularly among the smalls. For instance, 56 percent of all these firms employ 19 or fewer workers. For many of these firms it is a battle for survival. Many, if not most, are still limited to their immediate communities, and deliberately serving a limited number of accounts. It is, however, a risk position, because of the independence upon these limited accounts who themselves are in a high-risk business. Thus the position of the supplier is jeopardized by this constant state of risk.

There is every likelihood, however, that the "smalls" will continue to dominate this branch of the industry. But the change may come in the character of what comprises a "small." For example, the very small plants—those with nine or fewer employes, and now comprising 38 percent of the total—may well show a steady decline in number and in volume of business done (they now account for only five percent of the total dollar volume). This will reduce the total number of firms, and also require a change in the smalls—now represented by firms with 100 or fewer employes, but probably raised soon to 125 or fewer.

If a conclusion may be reached on this point it is this: that survival and growth will be relatively more difficult for firms serving a limited area and hence limiting their own growth. And, conversely, an increasing growth and increase in plant size and dollar volume will tend to go to firms expanding their area and degree of service.

FIGURING TANNING COSTS

(Concluded from Page 12)

is no doubt that the amount paid for loading the corresponding number or weight of shoulders has to be considered as reliable—an *actual* value. It has only to be checked as to whether the piecework is combined with other kinds of work (for example, transportation of leather and materials into and out of the loading room), which are not involved in it but have to be paid for at time rates. In this case, of course, the reliability of the value is already doubtful.

If the workmen are paid at time rates, an actual value can be established only if all time is exactly measured and was spent to bring the shoulders into the loading room, to put them into the oil wheels, to prepare and dissolve all chemicals, to supervise the drum, to pull the hides out of the drum, to carry them out of the room, etc. If, instead, the average time is determined which is needed for loading a pack of certain size, then the value has to be marked as theoretical. As earlier stated, the theoretical value is never altogether reliable, because more or less than average time may be spent to load that particular pack.

Even in the most favorable cases or conditions, calculations are established upon practically theoretical values. This cannot be avoided. However, as the manufacturing process becomes more complicated, the necessity of theoretical calculations will crop up more and more. That means that the direct determination and exacting separation of the manufacturing costs of each article is virtually impossible, and regardless of the system chosen it will be based more or less upon theoretical values.

"Scheme of Generality"

It does not seem reasonable to waste time, money and energy upon hopeless experiments to separate the manufacturing costs, and separate entries for different departments or articles should be abandoned. Instead, all individual costs of each product should be calculated on a purely theoretical base and their sums controlled by the generally decisive values of the ledger. This system abandons all special entries, all separations, and requires only the general values of the ledger. Therefore, it should be called "the scheme of generality."

Based upon the scheme of generality, the cost accounting may be carried out as follows:

The chemical consumption of each article or item is calculated theoretically, based upon the formula (for example, chrome tannage, drum dyeing, etc.); or upon carefully effectuated special measurements if the formula is not sufficient (for example, vegetable tannage, pigment finish, etc.). The sum of all material costs is related to a certain unit, preferably one pound white weight. The cost per unit is multiplied by the number of units in that article produced in the calculation period. Theoretically calculated chemical costs of all items processed during the calculation period are summed up and their sum compared with the actual value of the total material consumption figures in the ledger.

The theoretical sum and the practical amount should be rather close to each other. If an appreciable difference shows up, the theoretical calculations must be re-checked until the difference is discovered. It can be rightfully assumed that something is wrong with the theoretical calculations if the theoretical sum is larger than the practical amount. However, if the practical amount is larger, it is possible that the difference is to be found in the theoretical calculation methods. But there is the other possibility that the calculations were correct, and the difference was caused by waste of material (spoiled tan liquors, abandoned dyes, etc.) or thefts. Thus the careful examination of these values renders the control of economic handling of materials feasible.

Of course, only an approximate conformity of both values can be expected. After all values are carefully checked, the actual value is divided by the theoretical sum and their quotient derived at, which is called the "conversion factor." It is used to convert all theoretically calculated costs of the different articles into actual ones.

Labor costs are treated in the same way as chemical costs. To obtain the theoretical costs of each item, piece rates are used in the same way as for the formula for chemicals. For that part of the work which is paid for at time rates, special determinations are effectuated like those for chemicals which cannot be calculated from the formula. Theoretical values again have to be related to the unit, multiplied with the quantity, summed up, and the sum compared with the actual value of total productive wages which can be found in the ledger.

Comparison Useful

The comparison has about the same consequences as in the case of chemicals. If the actual value is higher, it is possible that the theoretical calculations were wrong. But it is also possible that the difference was caused by repetition of some mechanical operations (reglazing, restaking, refinishing, etc.), which denotes defects in the processing; or laziness, temporizing, and waste of time, denoting deficiency in supervision. The careful examination of these values is highly useful to management.

Theoretical and actual amounts cannot be identical here, either, and the conversion factor has to be determined and used in the same way as described for chemicals.

Use of the scheme of generality eases the work of all employes who have anything to do with cost accounting. The bookkeeper can avoid making special entries for different departments or products, and the foreman need not bother with the separation of materials and labor costs of different departments. This is particularly important, because the foremen are usually over-burdened with recording minute details, whereas they should serve more in a supervisory capacity to control work in their departments.

The scheme of generality renders it feasible to calculate every item separately, because the theoretical calculation is always easily available

and can always be converted into actual values. The usual way of calculation always raises the necessity of calculating different products of different character with the same processing costs, because it would be impossible to separate the latter.

To calculate full grain and corrected grain upper leather at the same costs, and to do the same with light and dark shades of suede—although there may be differences of several cents per square foot (for example, three to five times more aniline dyes are required for dark shades than light) — cannot be avoided. Of course, this must be regarded as a deficiency, because the cost accountant should be able to ascertain the smallest cost differences.

Generally, leather profits are limited, and a difference of a few cents, sometimes a mere one-half cent, can be of great importance. The use of the scheme of generality eliminates all these deficiencies and the smallest differences in processing costs will be accurately revealed.

Whenever the manufacture of a new item is introduced, its processing costs can be calculated only theoretically. If the usual methods of calculation are used, this theoretically obtained value cannot be compared with the costs of permanent items and appears rather unreliable. The new product has to be manufactured through a full calculation period until its costs can be ascertained in the usual manner. However, if the scheme of generality is used, the theoretically calculated costs can be converted into actual values immediately, by multiplication with the conversions factors which are always ready for use. The costs can also be compared immediately with those of permanent products or items.

Applying the scheme of generality, the full calculation is executed in the following way for each finished product:

1. The raw hide value is determined actually and individually, with consideration for raw hide prices and yields.
2. Chemical costs are determined theoretically and multiplied by the conversion factor to become actual values, according to the scheme of generality.
3. Labor costs are treated in the same way.
4. General expenses are divided equally upon the total production and an allocated part is taken into consideration.

(*Note:* The third article in this series on Tannery Cost Accounting will follow shortly.)

CLASSIFIED ADVERTISING

Wanted and For Sale

Wanted: Surplus Stocks

SHOE MANUFACTURERS' SURPLUS OF
Shoes including Close outs,
Samples and Factory Damages
Also LEATHER SURPLUS and REMNANTS.
WRITE
MATT AMROSE & SONS,
SYRACUSE, N. Y.

Machine for Sale

ONE (1) Turner 24" Oscillating Automatic Buffing Machine complete with motor attached drive.

Address K-1,
c/o Leather and Shoes,
300 W. Adams St.,
Chicago 6, Ill.

Cash Buyers of All Grades of Animal Hair

Horse and Cattle Tails
Horse and Cattle Tail Hair

KAISER-REISMANN CORP.
230 Java St., Brooklyn 22, N. Y.
Telephone: EVergreen 9-5953
Mane Hair — Hog Hair

For Sale

1 (one) 9A-Rod 54 x 26, No. 567 Sheridan Embossing Machine
1 one) 61ft. Korrect Measuring Machine
1 (one) DeVilbiss Spray Booth

Deckert Leather Finishing Co.,
Newport, Ky.

For Sale at Low And Attractive Prices

Wool Blanket Ends
Wool & Cotton Blanket Ends
Cotton Blanket Ends

Canton Flannel Full Stock, also
Various Lengths, Jobs, Shorts

Imitation Leather Full Stock and Remnants
All Kinds & Colors & Weights
Also, Block Cuts

Book Binding Cloth Full Widths—In Rolls—
Various Colors

Felt — Rolls — Shorts — Remnants

Knitted Fabrics

Raw Materials—in Carloads or Small Lots
A Building Full of Bargains.
We Just Keep Moving Our Stock.
Take Advantage of Our Low Prices.
Be One of Our Satisfied Customers.
We Guarantee Satisfaction.
Write for Your Needs — We Will Reply
Promptly and in Detail with Samples,
if necessary.
CENTRAL MERCANTILE CO.
217 Milwaukee Ave., Chicago 6, Ill.

Help Wanted

Tannery Supt.

WEST COAST chrome side tannery offers opportunity for experienced superintendent. Must be qualified to supervise production from beam house to finish, and capable to train inexperienced help. Address J-13, c/o Leather and Shoes, 300 W. Adams St., Chicago 6, Ill.

Rates

Space in this department for display advertisements is $5.00 per inch for each insertion except in the "Situations Wanted" column, where space costs $2.00 per inch for each insertion.

Undisplayed advertisements cost $2.50 per inch for each insertion under "Help Wanted" and "Special Notices" and $1.00 per inch for each insertion under "Situations Wanted."

Minimum space accepted: 1 inch. Copy must be in our hands not later than Tuesday morning for publication in the issue of the following Saturday.

Advertisements with box numbers are strictly confidential and no information concerning them will be disclosed by the publisher.

THE RUMPF PUBLISHING CO.
300 W. Adams St. Chicago 6

Tannery Executive

Established leather concern desires executive capable of management and control of processes of tannery, producing sides and splits. Address K-2, c/o Leather and Shoes, 300 W. Adams St., Chicago 6, Ill.

Situations Wanted

Cutting Room Foreman

Available now. Will go anywhere if opportunity good. Thorough knowledge of leather and fabrics. Knows how to train help and get production. Apply Box Z-6, Leather And Shoes, 10 High St., Boston 10, Mass.

Deaths

John J. Cummings

. . . 69, former *shoe executive,* died Sept. 16 at a Manchester, N. H., hospital after a long illness. He was formerly traffic manager of the old W. H. McElwain Shoe Co. in Manchester, now part of International Shoe Co. Cummings recently resigned as executive secretary and traffic engineer for the New Hampshire Manufacturers' Association after 29 years of service.

Alfred J. LeBel, Jr.

. . . 32, *shoe executive,* died Sept. 16 in a Manchester, N. H., hospital after a short illness. He was general manager of Diana Contract Footwear Co., Inc., of Lowell, Mass. A native of Salem, he had lived in Manchester for the past 27 years. He was a member of the New England Shoe Superintendents' and Foremen's Association. Surviving are his wife, Rachel; his parents, two daughters, two brothers and six sisters.

Spanage D. Ritcey

. . . 93, retired *leather merchant,* died recently at his home in Lynn, Mass., after a long illness. A native of Nova Scotia, he had lived in Lynn for many years and was well-known in the shoe and leather field there. He was a noted philanthropist, contributing to many organizations and causes in the area. He leaves a sister and other relatives.

E. F. Bell

. . . 82, *shoe manufacturer,* died Oct. 3 in Beverly, Mass. In 1895, he founded E. F. Bell Co. Years later, in 1937, he formed a partnership with his sons and opened D. H. and G. H. Bell Co. Survivors include two sons, Donald H. and Gordon H.; a brother, Clarence; five grandchildren; and a sister, Mrs. Joseph Foster.

John C. Moerchen

. . . 42, *leather salesman,* died Sept. 22 in St. Mary's Hospital, St. Louis, Mo., after an illness of several months. A veteran of the leather industry, Moerchen joined Fred Rueping Leather Co., Fond du Lac, Wis., some 25 years ago and was their sales representative in the St. Louis area since Nov., 1945. Previously, he was production manager for the firm. He was active in fraternal organizations, a past president of the Rueping Key Men's Club and Rueping Quarter Century Club, and a member of the Shoe and Leather Trades Association of St. Louis. Survivors include his wife, Virginia; two sons, John, Jr., and Robert; a sister, Miss Elsie Moerchen, and a brother, Francis.

J. L. Hough

. . . 52, *leather executive,* died Sept. 29 at his summer home in Beach Haven Crest, N. J. He was credit manager of the Lackawanna Leather Co. at Newark. Hough was a veteran of World War I and active in church affairs. He leaves his wife, Helen S.; a daughter, Barbara; two brothers, Robert and Edgar; and two sisters.

Nelson J. Robert

. . . 71, retired *shoe superintendent,* died Sept. 22 at his home in Lynchburg, Va. He was formerly a superintendent of the Craddock-Terry Shoe Co. plant at Lynchburg. A native of East Douglas, Mass., he leaves several nieces and nephews.

William T. Hardesty

. . . 68, *leather belting manufacturer,* died Sept. 21 at his home in Jeffersontown, Kentucky. He had been active in the industry near Louisville for many years. He leaves his wife, Jennie; a daughter, Mrs. Valeda Slack; a granddaughter, five sisters and three brothers.

Index To Advertisers

Little Feet can be Hard on Shoes

Celastic* Box Toes Last Longer — Lend More Comfort

Nearest things to perpetual motion are youngsters' feet. Nearest to perpetual wear and comfort in the toe area are Celastic Box Toes.

Durable construction plus flexibility and comfort for active, growing toes are convincing features in selling the juvenile market. Included among the users of Celastic are many manufacturers of children's shoes. They know that customer loyalty pays off — that a large measure of brand preference can result from the *absence of wrinkled or loose toe linings!* Put this solution-softened box toe to work in your shoes where it can fuse lining, box toe and double into a strong, 3-ply unit with flexibility at the tip line. These are the characteristics that build sales and *repeat* sales.

Like other children, Miss Patricia Ann Argento, age 7, of 475 Riverdale Ave., Brooklyn, N. Y., is an active youngster. After 14 months, the toe linings of her shoes with Celastic Box Toes remain tight, unwrinkled, comfortable. (Note cut-a-way of toe area in photo.)

IT'S ALWAYS MATCHED PAIRS WITH Celastic* BOX TOES

UNITED SHOE MACHINERY CORPORATION · BOSTON, MASS.

*"CELASTIC" is a registered trademark of the Celastic Corporation